

PUBLIC DISCLOSURE

AUGUST 3, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

AUBURNDALE CO-OPERATIVE BANK

307 AUBURN STREET
AUBURNDALE, MA 02166

DIVISION OF BANKS
100 CAMBRIDGE STREET
BOSTON, MA 02202

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire local community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Auburndale Co-operative Bank prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Outstanding".

The bank's performance in relation to the distribution of credit among different income levels, small business lending, community development lending activities and loan to deposit ratios exceed standards for satisfactory performance. The bank's performance is further enhanced by the level of grants and services offered by the institution.

The distribution of the bank's residential mortgage originations to low and moderate-income borrowers as a percentage of total originations is well above peer for 1996. A review of aggregate data ranked the bank fourth in market share for low and moderate-income originated or purchased loans within the assessment area, with a 12.68 percent market share.

Analysis of originations, for the time period covered by this examination, indicates a continued upward trend and even greater penetration in lending to low and moderate-income borrowers. Analysis of small business lending revealed that, of the 23 small business loans originated inside the assessment area, 20 were to businesses with annual gross revenues under \$1 million. Of the three loans to businesses with revenues over \$1 million, one was to a non-profit entity.

Small business lending has increased significantly since the previous examination. Review of the annual reporting of loans to small businesses in the June FDIC Call Reports for 1996, 1997 and 1998 reveal a 180 percent increase in the number of small business loans. During the time period covered by this examination, January 1, 1997 through June 30, 1998, the bank originated 38 small business loans totaling \$6.0 million. The majority, 60.5 percent of the number and 80.3 percent of the dollar volume, of small business loan originations were inside the bank's assessment area.

The bank has also underwritten two community development construction loans inside the assessment area since the last examination. One loan is for the construction of ten condominium units of which three units will be sold at below market prices to low and moderate-income first time homebuyers, three units will be subsidized rental units and four units will be sold at market prices. The second loan is for the rehabilitation of 25 single resident occupancy units, which house low-income individuals.

Auburndale Co-operative Bank's average net loan-to-deposit ratio for the previous eight quarters is 91.1 percent, which exceeds the standard for satisfactory performance.

The bank expends considerable time and effort competing for funds on behalf of area organizations and agencies. Applications are made through the Federal Home Loan Bank Affordable Housing Program on a regular basis. This level of service, coupled with the high level of grants made during the time period covered by this examination, further enhances the bank's performance and bolsters its outstanding rating.

PERFORMANCE CONTEXT

Description of Institution

Auburndale Co-operative Bank is a \$164.1 million state-chartered, mutually owned bank established in 1910. The bank continues to operate as a local community-based bank serving the personal and business needs of area residents and companies. The bank's main office is located at 307 Auburn Street in the Auburndale section of the City of Newton, Massachusetts. In addition the bank operates two full service offices located at 332 Walnut Street in the Newtonville section of the City of Newton, Massachusetts and 62 Boston Post Road, in the Town of Wayland, Massachusetts. All offices have Automated Teller Machines (ATMs) and an additional ATM is located in the Marriot Hotel at 2345 Commonwealth Avenue, Newton Massachusetts. All of the bank's ATMs are linked to the "Cirrus" and "NYCE" networks. The bank's business hours are considered reasonable and convenient to the local community. All offices are open daily from 8:30 a.m. to 4:00 p.m., with extended hours until 6:00 p.m. one evening per week. Further all offices are open on Saturdays from 9:00 a.m. to 12:00 p.m. All of the bank's current locations are considered to be conducive to the bank's growth goals and strategic plan.

As of June 30, 1998, the bank had 77.1 percent of its assets in the form of loans. The bank's loan portfolio is comprised of the following:

Loan Portfolio as of June 30, 1998

Type of Loans	\$(000)	% Total
Construction & Land Development	\$2,774	2.2%
1-4 Family		
a. First Mortgages	\$96,715	76.5%
b. Home Equity Lines	\$8,470	6.6%
c. Junior Liens (Second Mortgages)	\$523	0.4%
Multifamily	\$4,236	3.4%
Commercial Loans		
a. Commercial Real Estate	\$6,102	4.8%
a. Commercial & Industrial Loans	\$2,196	1.7%
Consumer Loans		
a. Credit Cards & Related Plans	\$87	0.1%
b. Installment & Single Payment	5,409	4.3%
Total Gross Loans	\$126,512	100.0%

Source: Consolidated Report of Condition and Income, 6/30/98

As shown by the data in the table, residential real estate is the bank's primary form of credit activity. Loans secured by one-to-four family residential properties, including first

mortgages, second mortgages and home equity loans, account for approximately 83.5 percent of all outstanding credit. Commercial and commercial real estate loans are next with 6.5 percent, followed by consumer loans with 4.4 percent.

Management has established a Vision Statement as part of the bank's Strategic Plan that projects the bank's goals to the year 2011. Highlights include a standard of operation where bank employees know the customers by name and where decisions are made locally. The bank will welcome new technology for convenience-based delivery systems and will strive to be the bank of choice within the communities it serves.

The bank was last examined for compliance with the Community Reinvestment Act by the Division of Banks on August 23, 1996. The prior examination resulted in a Satisfactory rating.

Description of Assessment Area

Auburndale Co-operative Bank has defined its assessment area as the City of Newton and the towns of Wayland and Weston. These municipalities are located in Middlesex County and within the Boston Metropolitan Statistical Area (MSA). The Boston MSA has an estimated median family income of \$60,000 for 1998, which is adjusted for inflation by the Department of Housing and Urban Development (HUD)

The assessment area is comprised of 22 census tracts. Census tracts are defined as either low, moderate, middle or upper-income based on median Family Household Income (FHI) within the census tract. The census tracts include 4 middle-income tracts (18.2 percent) and 18 upper-income tracts (81.8 percent). There are no low-income or moderate-income census tracts within the bank's assessment area.

Housing stock within the assessment area is primarily one to four-family residential units (88 percent), of which a substantial majority are owner-occupied (96 percent). Based on the data derived from the 1990 Census, the population of the assessment area totaled approximately 104,652 individuals who reside in 38,384 units. The median home value of the assessment area is \$310, 259.

Overall the bank's assessment area is largely affluent when compared to Boston MSA and Middlesex County demographics. Housing data for the assessment area reflects a higher rate of owner-occupancy and median home value than that of Middlesex County as a whole. According to 1990 census data, Middlesex County has an owner-occupied rate of 59.6 percent and a median home value of \$192,800. The Boston MSA has a median home value of \$168,816.

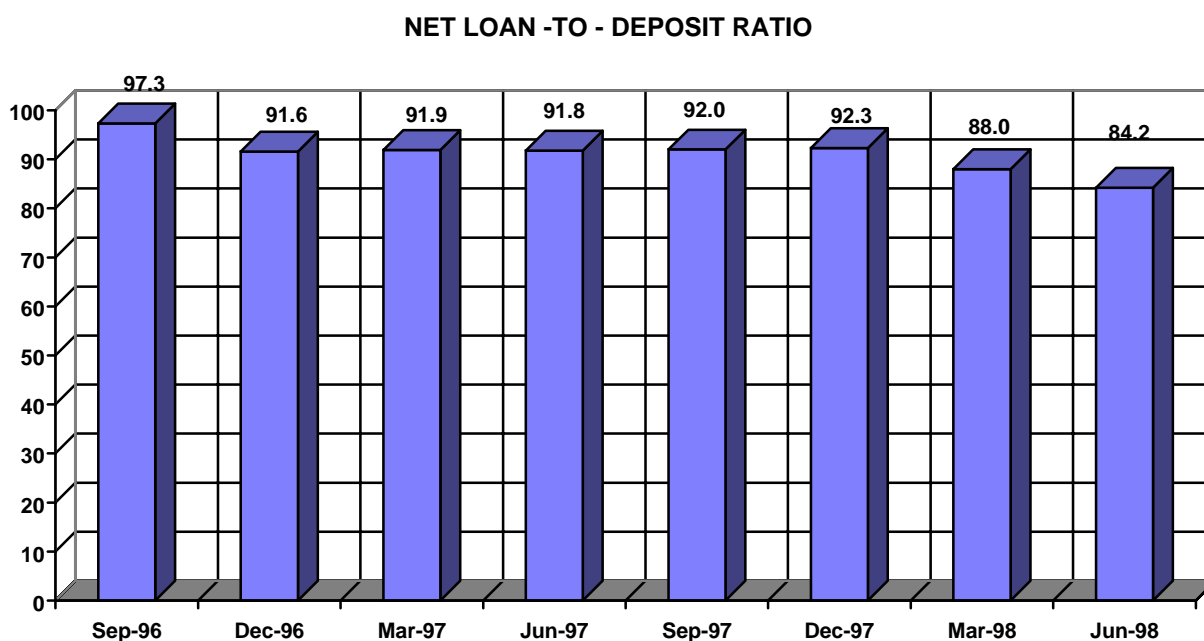
Auburndale Co-operative Bank's major competition includes several large regional banks as well as Newton South Co-operative Bank, The Needham Co-operative Bank, Belmont Savings Bank and Wellesley Co-operative Bank.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

A comparative analysis of Auburndale Co-operative Bank's quarterly net loan-to-deposit ratios for the period of September 1996 through June 1998 was conducted during this examination. Using the bank's quarterly Call Reports, an eight-quarter average was developed. The resulting average net loan-to-deposit ratio of 91.1 percent exceeds the standard for satisfactory performance. This conclusion is based on the bank's asset size, financial condition and the credit needs of its assessment area. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses (ALLL) as a percentage of total deposits. It should be noted that although the trend is slightly down for the period under review the average remains outstanding.

Refer to the following tables for details.



The asset size of the institution has increased substantially since the previous examination. The bank has grown from approximately \$122 million as of June 30, 1996, to its current \$164 million level. Deposit growth has significantly outpaced loan growth over this period of time resulting in a decline of the loan to deposit and loan to asset ratios. As evidenced above, loan growth has increased approximately 10.3 percent from September 30, 1996, to June 30, 1998. Deposit growth has increased approximately 34.2 percent for this same time period. Management attributed the increase in deposit growth, in part, to the consolidations of local financial institutions, which in turn has resulted in new depositors to the bank. In addition, the drop in the loan-to-deposit ratio is attributed to management's goal to improve its liquidity position.

To further enhance the bank's services and address increased competition, management has entered into an arrangement with another financial institution to offer different loan

products for a fee. The arrangement calls for Auburndale Co-operative Bank to generate loan applications, however, not make any credit decisions. This enables the bank to better service its customers while generating additional fee income for the bank. The arrangement commenced early in 1998 and has generated 17 loans totaling \$2.7 million. This activity is not reflected in the bank's loan to deposit ratio and is not HMDA reportable.

The following table provides net loan to deposit ratios for several comparable area banks, including Auburndale Co-operative Bank. The institutions are listed with the net loan to deposit ratios in descending order. The ratios are based on the March 31, 1998 Call Report Data. The largest institution relative to asset size is Needham Co-operative Bank with \$315.9 million in assets. The smallest institution relative to asset size is Wellesley Co-operative Bank with \$66.9 million in assets. Auburndale Co-operative Bank's net loan to deposit ratio of 88.0 percent on March 31, 1998, is above the majority of local financial institutions for the same period.

COMPARATIVE NET LOAN TO DEPOSIT RATIOS	
Newton South Co-operative Bank	96.6%
Auburndale Co-operative Bank	88.0%
Wellesley Co-operative Bank	85.4%
Needham Co-operative Bank	83.1%
Belmont Savings Bank	74.9%

Source: 3/31/98 FDIC Call Reports

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

An analysis of lending inside the institution's assessment area was performed by reviewing the 1997 and year to date June 30, 1998, Home Mortgage Disclosure Loan Application Registers (LAR). Applications received were sorted by census tract and assigned to the appropriate city or town. During this period, the bank originated 192 loans totaling \$43,619,000, of which 101 (52.6% of the number) totaling \$19,215,000 (44.1 percent of the dollar) were within the bank's assessment area. The following table depicts the distribution of HMDA related loan originations by number, inside and outside the bank's assessment area.

MORTGAGE LOANS BY NUMBER OF ORIGINATIONS

LOCATION	1997		Y-T-D 1998*		TOTALS	
	#	%	#	%	#	%
Newton	45	43.3	44	50.0	89	46.4
Wayland	3	2.9	2	2.3	5	2.5
Weston	5	4.8	2	2.3	7	3.7
INSIDE ASSESSMENT AREA	53	51.0	48	54.6	101	52.6
OUTSIDE ASSESSMENT AREA	51	49.0	40	45.4	91	47.4
TOTALS	104	100.0	88	100.0	192	100.0

*Through June 30, 1998

As indicated above, 52.6 percent of residential and home improvement mortgage originations were inside the bank's assessment area. This level is considered adequate in meeting the standards for satisfactory performance for this criterion.

It is important to note that Auburndale Co-operative Bank has shown an increase of originations within its assessment area since the previous examination. The last examination analysis indicated that the bank originated 41.9 percent of its loans inside the assessment area. Aggregate data, provided through PCI, Inc., CRA Wiz software, indicates that Auburndale Co-operative bank was ranked fifteenth for mortgage originations inside its assessment area for 1996. Other higher ranked institutions included major national mortgage companies and large financial institutions such as Chemical Bank, Baybank, N.A., Bank of America, FSB, Countrywide Funding and Fleet National Bank of CT. No other similar sized institution ranked higher than Auburndale Co-operative Bank. Aggregate data was not available for 1997 at the time of the examination.

The percentage of originations inside the assessment area for year to date 1998, 54.6 percent, appears to be increasing from the 1997 level of 51.0 percent and the 1996 level of 41.3 percent. Additionally, the number of originations for 1998 appears to be significantly increasing above 1997 levels. Should originations continue at the current rate through year-end 1998, an approximate 58 percent increase in the number of originations would occur.

In addition to HMDA reportable residential loans, management requested that examiners give consideration to small business and community development loans. The bank has initiated a small business and commercial lending area since the last examination. As previously mentioned, this institution is primarily a residential lender.

During the time period covered by this examination, January 1, 1997, through June 30, 1998, the bank originated 38 small business loans totaling \$6.0 million. The majority, 60.5 percent of the number and 80.3 percent of the dollar volume, of small business loan originations were inside the bank's assessment area. The following table details the distribution of small business loan originations by number, inside and outside the bank's assessment area.

SMALL BUSINESS LOAN ORIGINATIONS BY NUMBER

LOCATION	1997		Y-T-D 1998		TOTAL	
	#	%	#	%	#	%
Newton	11	50.0	8	50.0	19	50.0
Wayland	3	13.6	1	6.3	4	10.5
Weston	0	0.0	0	0.0	0	0.0
INSIDE ASSESSMENT AREA	14	63.6	9	56.3	23	60.5
OUTSIDE ASSESSMENT AREA	8	36.4	7	43.7	15	39.5
TOTALS	22	100.0	16	100.0	38	100.0

Source: 1997 & 1998 Internal Bank Reports

Small business lending has increased significantly since the previous examination. Review of the annual reporting of loans to small businesses in the June FDIC Call Reports for 1996, 1997 and 1998 reveal a 180 percent increase in the number of small business loans. The June 1996 Call Report, Schedule RC-C Part II reported a total of 20 loans secured by nonfarm nonresidential real estate, and no commercial and industrial loans within the banks portfolio. The June 1998 Call Report indicates that the banks loan portfolio includes 26 loans secured by nonfarm nonresidential real estate and 30 commercial and industrial loans.

The bank has also underwritten two community development construction loans inside the assessment area since the last examination. One loan is for the construction of ten condominium units, of which three units will be sold at below market prices to low and moderate income first time homebuyers, three units will be subsidized rental units and four units will be sold at market prices. The second loan is for the rehabilitation of 25 single resident occupancy units which house low-income individuals. Both loans are on property located in the City of Newton.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis of HMDA reportable loan originations extended within the institution's assessment area, among various borrower income levels, was conducted. Originations were categorized by the ratio of the applicant's reported income to the 1997 and 1998 median family incomes of the Boston Metropolitan Statistical Area (MSA), which are \$59,600 and \$60,000, respectively. These income figures are based on estimated 1996 and 1997 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA; moderate income is defined as 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

LOAN ORIGINATIONS BY INCOME OF BORROWER

% OF MEDIAN	1997	Y-T-D 1998	TOTAL
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MSA INCOME	#	%	#	%	#	%
<50%	1	1.9	1	2.1	2	2.0
50% - 79%	7	13.2	12	25.0	19	18.8
80% - 79%	12	22.6	13	27.1	25	24.7
120% >	33	62.3	21	43.7	54	53.5
Not Available	0	0.0	1	2.1	1	1.0
TOTAL	53	100.0	48	100.0	101	100.0

Source: HMDA Data

The table below shows the number and dollar volume of loans originated by the bank in 1996 to low, moderate, middle and upper-income borrowers in comparison to the activity of the 286 other HMDA- reporting lenders in the assessment area:

Lending Within the Assessment Area to Borrowers of Different Income Levels
Auburndale Co-operative Bank

Census Tract Income Level	Number of Loans				Dollar in Loans (000's)			
	Auburndale Co-operative		All Other Reporters		Auburndale Co-operative		All Other Reporters	
Low	3	4.2	50	1.2	133	1.0	3,859	0.4
Moderate	6	8.5	162	4.0	565	4.4	17,279	1.7
Middle	23	32.4	449	11.0	3,235	25.2	59,842	5.9
Upper	38	53.5	2,584	63.4	8,696	67.8	687,895	68.4
Not Available	1	1.4	833	20.4	200	1.6	237,754	23.6
Total	71	100.0	4,078	100.0	12,829	100.0	1,006,629	100.0

Source: 1996 CRA Wiz

The distribution of the bank's residential mortgage originations, based on borrower income, shown in the above tables is very strong. The above data shows that the bank's originations to low and moderate-income borrowers as a percentage of total originations is well above peer. The bank granted 4.2 percent of its total residential mortgage originations to low-income borrowers, compared to 1.2 percent for all other lenders. The bank originated 8.5 percent of its mortgage loans to moderate-income borrowers, which is above that of the aggregate lending number of 4.0 percent. The bank's percentage of originations to middle-income borrowers is well above that of other lenders, and conversely, originations to upper-income borrowers is proportionately lower.

Analysis of originations, for the time period covered by this examination, indicates a continued upward trend in lending to low and moderate-income borrowers. The first table shows calendar year 1997 originations to low and moderate-income borrowers to be 15.1 percent of all originations inside the bank's assessment area. Year-to-date 1998 figures indicate that 27.1 percent of originations were to low and moderate-income borrowers. These figures show even greater penetration to low and moderate-income borrowers than the 1996 performance level of 12.7 percent.

A review of aggregate data ranked the bank fourth in market share for low and moderate-income originations or purchased loans within the assessment area, with a

12.68 percent market share. It is important to note that the bank's ranking of fourth in market share to low and moderate-income borrowers is in stark contrast to its overall market share and ranking of fifteenth in Performance Criteria II. This level of performance exceeds satisfactory standards.

At management's request, analysis of small business lending was performed in relation to loans to businesses with gross revenues less than and greater than \$1 million. This analysis revealed that of the 23 small business loans originated inside the assessment area, 20 were to businesses with annual gross revenues under \$1 million. Of the three loans to businesses with revenues over \$1 million, one was to a non-profit entity.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

An analysis of HMDA reportable loans extended within the various census tracts contained in the bank's assessment area was conducted during the examination. The bank's assessment area is comprised of 22 census tracts. Of these census tracts, 4 are designated as middle-income and 18 as upper-income. The bank's assessment area does not contain any low or moderate-income census tracts.

Based upon the geographic location of the bank's branches, the distribution of loan originations in the middle and upper-income census tracts appears to be reasonable. The following table shows the geographic distribution of loan originations for the period covered.

ORIGINATIONS BY CENSUS TRACT

CENSUS TRACT INCOME LEVEL	1997		Y-T-D 1998		TOTAL	
	#	%	#	%	#	%
MIDDLE	15	28.3	17	35.4	32	31.7
UPPER	38	71.7	31	64.6	69	68.3
TOTAL	53	100.0	48	100.0	101	100.0

Source: HMDA/LAR Data

Based on the analysis of the geographic distribution of loans, the bank meets the standards of satisfactory performance in generating originations from all segments of its assessment area.

EVALUATION OF COMMUNITY DEVELOPMENT LENDING

In addition to the four lending performance criteria detailed above, a review of the institution's qualified community development lending activities was also performed.

West Suburban YMCA - The bank secured a direct subsidy of \$150,000 from the Federal Home Loan Bank of Boston Affordable Housing Program in 1997 for the rehabilitation of 25 single resident occupancy units (SRO) located at the West Suburban YMCA in the City of Newton. The YMCA is a nonprofit organization that manages these SROs in order to provide subsidized permanent housing for the homeless.

Auburndale Yard / Newton Community Development Foundation - The bank is financing the construction of a ten unit condominium project located in the City of Newton. The project is being developed in conjunction with the Newton Housing Authority and Newton Community Development Foundation to construct mixed income housing, with six of the ten units designated as long term affordable housing. Three of the units will be sold at below market rates to low and moderate-income first time homebuyers and three units will be utilized as subsidized affordable rental units. The remaining four units will be sold at market prices.

Total development costs are projected to be \$1,860,000. The bank has committed to construction financing of \$1,480,000. The funds for financing the construction loan have been secured through the Federal Home Loan Bank of Boston New England Fund. This funding source allows for below market interest rates for the term of the loan.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

REVIEW OF COMPLAINTS

A thorough review of the public comment file revealed that the bank received no complaints pertaining to the institution's CRA performance since the previous examination.

FAIR LENDING POLICIES AND PRACTICES

Auburndale Co-operative Bank maintains a formal CRA plan and Fair Lending policy. The loan policy addresses all issues with emphasis on Equal Credit concerns. The Board ratified this policy at their June 1998 meeting.

Detailed below is the institution's performance as it correlates to the guidelines established in Regulatory Bulletin 2.3-101, the Division's Fair Lending Policy.

Staff Training

The bank has a formal on-going training program for all employees. The bank performs staff training which addresses potential discriminatory policies and practices. The following are examples of specific training efforts conducted by the bank:

In April 1998, the bank offered specific Fair Lending training. The majority of the employees attended the training program.

In November 1997, several employees attended a regulatory compliance series held by the Massachusetts Mortgage Banker's Association and the Bank League of New England. The series was called "Do It Right".

In July 1997, loan originators and the lending staff viewed a video called "Fair Lending." This video covered ECOA and the Fair Lending Act regulations. The video was produced by BVS performance systems.

In June 1997, the bank's Loan supervisor attended a "Fair Credit Reporting Act" seminar sponsored by the Community Bank League of New England.

In September 1996, 29 employees participated in a CRA/Fair Lending in-house seminar. BVS Performance Systems training materials were utilized.

Staff Composition and Compensation

The bank employs 42 individuals, none of whom are minorities. Bank personnel speak Italian, Spanish and German. The bank has seven authorized loan originators, with one outside originator who is compensated by regular salary plus commissions.

Outreach

The bank has developed a formal community outreach program that includes ongoing and meaningful contacts with a number of organizations concerned with the area's credit, housing and economic development needs.

Auburndale Co-operative Bank mailed a Customer Survey questionnaire to all customers (one per household) in October of 1997. This survey was mailed to approximately 7,200 households. This survey supplied feedback to bank management, as well as the Board of Directors, regarding the quality of the products and services that the bank provides. In addition the survey is utilized as a barometer, when bank management considers changes to its existing services and the development of new services.

Credit Products and Underwriting Standards

The bank offers both fixed and adjustable rate mortgage products. The bank is a portfolio lender, which allows for more flexible underwriting standards. Additionally, the institution offers an in house first time homebuyer program with flexible underwriting and low down payments. The first time homebuyer program resulted in 29 originations inside the bank's assessment area, totaling \$5,935,625, during the time period covered.

Marketing

Auburndale Co-operative Bank does its marketing and advertising through local newspapers, direct mail, local organization and church newsletters and statement stuffers. Its marketing effort appears to reach all segments of the assessment area as evidenced by the performance in originations and lending to borrowers of different incomes.

Credit Education

The bank sponsors a homebuyer's seminar and a broker's luncheon on an annual basis. The broker's luncheon provides the bank with opportunity to showcase its credit product line as well as obtain input from the brokers regarding credit product needs. The homebuyer's seminar provides credit information to would be buyers, as well as pre-qualification services. The bank hosted both of these programs 1997 and 1998.

Counseling

Management refers customers and applicants who are in need of credit counseling to appropriate credit counseling services in the area. A form containing names, addresses and telephone numbers of various agencies is forwarded to individuals who may be in need of such services.

Second Review Practices

Auburndale Co-operative Bank has a formal second review policy. The bank's President and Chief Executive Officer review all denied loans prior to sending the applicant notification of adverse action. In addition, on a monthly basis, the bank's Security Committee reviews all adverse action notices.

Internal Control Procedures

Management has engaged the services of an outside auditor to monitor and test for HMDA, ECOA, Fair Housing and other technical compliance issues. Additionally, Wolf and Company provides quarterly tracking reports of CRA related lending activities. Management and the CRA Committee regularly review the geographic distribution of the bank's residential loan portfolio.

Minority Application Flow

The assessment area has an 8 percent minority population. Aggregate data for 1996 shows that 8.6 percent of all residential applications inside the assessment area were from minorities. The bank received 12.5 percent of its 1996 applications from minorities.

EVALUATION OF QUALIFIED INVESTMENTS, GRANTS AND SERVICES

In addition to the five performance criteria detailed above, a review of the institution's qualified investments, grants and services was also performed.

Grants

West Suburban YMCA – This non-profit organization, located in the City of Newton, operates recreational, counseling and residential housing facilities. The bank has committed \$50,000, over a three-year period, towards rehabilitation efforts of the facility.

Newton Boys and Girls Club – This non-profit organization, located in the City of Newton, has a membership of primarily low and moderate-income families. Approximately 90 percent of the membership have annual incomes of less than \$50,000, with 24 percent having incomes of less than \$25,000. The organization provides recreational, summer day camp, teen center and sports activities for its membership. The bank has committed \$50,000, over a three-year period, to the Club's renovation and rehabilitation project. In addition to this major commitment, the bank has donated an extra \$1,500.

Childcare Programs - The bank has contributed to several childcare agencies and organizations that provide free and subsidized services, based on financial needs. Some of the donations include: Newton Community Services, \$2,500; Newton Child Care Fund, \$2,500; Plowshares, \$1,000; and Parent Child Home Program, \$340.

Second Step, Inc. – The bank donated \$2,000 to this non profit shelter for battered women and children.

Hospice Services - The bank has contributed to two hospice organizations that provide programs and services to individuals and families regardless of their ability to pay. These donations are \$1,100 to the Hospice of Good Shepherd in Weston/Wayland and \$1,000 to the Friends of Hospice in Newton.

Women's Enterprise Initiative – The bank donated \$1,500 to this Newton-based organization developed to foster and encourage women entrepreneur-ship. The group offers support services, financial counseling and business plan development.

Co-operative Living of Newton, Inc. – The bank donated a total of \$1,500 to this private, non-profit housing advocacy group for elders in the City of Newton. The primary focus is to provide housing options and housing related services to meet the needs of Newton elders. The organization currently operates an eleven unit intergenerational residence at below market rates, as well as providing home repair referral programs and the assessory apartment assistance project (AAP). AAP will counsel and assist elderly homeowners in acquiring the requisite permits to construct an assessory apartment to their home, which supplements their income and allows them to remain in their homes.

Consumer Credit Counseling Service of Massachusetts, Inc. – This organization provides financial wellness counseling and education programs to those in need of assistance. The bank donated a total of \$1,350 to this organization.

Newton Wellesley Weston Committee for Community Living, Inc. (NWW) – The NWW is a Non profit agency that provides housing and supportive services to disabled individuals. The bank donated \$850 to this agency.

Newton Food Pantry and Traveling Meals of Newton – The bank donated \$100 each to these agencies.

Services

Affordable Housing Program of the Federal Home Loan Bank of Boston - The bank expends considerable time and effort competing for funds on behalf of area organizations and agencies. Application for funds have been made for six varying projects over the time period covered by this examination. While not all applications have been successful, those that were are providing needed affordable housing units for low and moderate-income individuals and families within the bank's assessment area.

Savings Makes Cents Program- The bank provides weekly banking services on site in two Newton elementary schools to promote education in savings to youngsters.

The bank provides area non-profits and other local organizations space within the bank for meetings and additional events on a regular basis.

The President / CEO serves on the boards of several local organizations. He serves as Vice-chair and member of the business advisory group of the Newton Child Care Fund as well as a member of the Newton Nexus Steering Committee. The steering committee is appointed by the Mayor of Newton to monitor and oversee the progress of the intra-city transportation service, which is designed to provide low cost, assessable transportation. Additionally, he serves as President of the local Chamber of Commerce and as a member of other area business and civic organizations.

Other officers of the bank lend their professional expertise as; Director of the Newton Boys and Girls Club; participant and panelist for the Women's Enterprise Initiative; participant for the Newton Schools Foundation; Advisory Board member of the Salvation Army; Member of the Board of Directors of Friends of Hospice; as well as being active members of several area business, civic and religious organizations.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

Auburndale Co-operative Bank

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business August 3, 1998, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 19 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.